

134 E. Hill Street
Long Beach, CA 90806

January 12, 2004

Redevelopment Agency Board
City of Long Beach
333 West Ocean Blvd.
Long Beach, California 90802

Dear Board Members:

Citizens Against Redevelopment Merger and Expansion is opposed to a study of redevelopment led by the Redevelopment Agency Board. We believe that an "Independent Study of Redevelopment" as previously described by the Agency's staff, and most recently, as outlined in a January 12, 2004 memorandum from Melanie Fallon (Exhibit B) is unnecessary. It is our opinion that the draft conceptual plan is seriously flawed and reflects an inherent bias that will hinder a truly independent inquiry, and ultimately prove to be a waste of taxpayer dollars.

If you are genuinely interested in learning how redevelopment is practiced in Long Beach, and who has consistently been among the winners and losers as a result of those practices, then you will meet the follow six demands:

1. Rescind the Board's 12/15/03 motion making the RDA Board the "Steering Committee";
2. Request the Office of the City Auditor develop and issue an RFP for a Performance Audit of the Redevelopment Agency, and a Forensic Audit of the Redevelopment Agency's contracting practices, disposition of housing set-aside funds, use of bond revenues, and transfers to the general fund;
3. Prohibit Agency staff from participating in the development of the selection criteria that will be used to select the Consultant(s) hired to conduct these audits;
4. Ensure that the selection of the Consultant(s) is made by a 7-member committee that consists of: *three* RDA Board members, *three* PAC Chairs, and the City Auditor;
5. Ensure that the Project Area Committees have a 30-45 day period to review the Final Draft of the Independent Study, separate from and prior to the general public review/comment period; and
6. Ensure that each of the three Project Area Committees are allowed to submit a statement or response (up to 5,000 words) for inclusion in the official report prepared by the Independent Study Consultants – as addendum or exhibits.

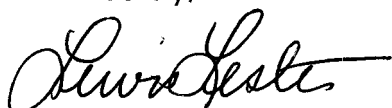
If you are willing to accept this challenge and meet these demands, you will be working in the public's interest and will significantly improve your chances of receiving an independent assessment of the Agency's policies, procedures, and its utilization of redevelopment resources. More importantly, you will likely end up with a

number of recommendations for improving the Agency's internal control structure and eliminating the operational inefficiencies that currently expose the Agency and taxpayers to fraud, waste and abuse.

If you continue to move down the road that the Agency staff has outlined for you, you can be certain that the public will be reminded that this Board had several opportunities to show itself to be truly independent of the City Council and the City Manager, but instead, was willingly led astray by a team of overpaid bureaucrats that would be in good company with the likes of former Enron executives Andrew Fastow and Jeffrey Skilling.

Please table discussion of the draft conceptual plan and consider a motion to request the City Auditor take responsibility for initiating an independent study of redevelopment.

Sincerely,

A handwritten signature in black ink, appearing to read "Lewis Lester", with a stylized, flowing script.

Lewis Lester,

Chair

Citizens Against Redevelopment Merger and Expansion